

Message Text

LIMITED OFFICIAL USE

PAGE 01 JIDDA 05387 041643Z

55

ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SIL-01 /037 W
----- 002693

R 041450Z AUG 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5500

INFO AMEMBASSY AMMAN

AMEMBASSY DACCA

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMEMBASSY ISLAMABAD

AMEMBASSY NEW DELHI

AMEMBASSY SANA

AMEMBASSY SEOUL

LIMITED OFFICIAL USE JIDDA 5387

E.O. 11652: N/A

TAGS: EALR, EFIN, ELAB, SA, YE

SUBJECT: YEMENI LABOR PROBLEMS AND DEVELOPMENTS IN SAUDI ARABIA

BACKGROUND

JIDDA HAS MORE YEMENI DWELLERS THAN ANY CITY IN THE WORLD, INCLUDING THE YAR. IT IS ESTIMATED THAT THERE ARE AT LEAST 300,000 IN THE CITY. YEMENI LABORERS, WHO NEED ONLY ID CARDS TO ENTER SAUDI ARABIA, CAN BE FOUND THROUGHOUT THE KINGDOM, THE MAJORITY IN CONSTRUCTION WORK, BUT ALSO EMPLOYED AS COOKS, DRIVERS, HOUSEBOYS, ETC. REPUTABLE SAUDI OFFICIALS AND BUSINESSMEN ESTIMATE THAT THE REMITTANCES OF YEMENI LABORERS TO YEMEN NOW IS ABOUT SR 100 MILLION A MONTHS. THIS MONETARY INFUSION HAS CREATED, IF FIGURE IS EXACT OR NOT, A SPILLOVER OF THE SAUDI BOOM INTO YEMEN. DEMAND FOR WORKERS IS SAID TO BE HIGH AND YAR IS ALLEGEDLY TAKING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JIDDA 05387 041643Z

STEPS TO KEEP WORKERS HOME BECAUSE OF LABOR SHORTAGE

THAT HAS DEVELOPED. SAUDI ALTERNATIVES TO YEMENI
LABOR ARE FEW. END BACKGROUND.

1. IN 1973, AN UNSKILLED YEMENI CONSTRUCTION WORKER IN
SAUDI ARABIA EARNED ABOUT SR 12 (APPROXIMATELY \$3.50)
PER DAY. SINCE THEN LABOR SHORTAGES, COMBINED WITH
MASSIVE OFFICIAL AND PRIVATE CONSTRUCTION PROJECTS,
HAVE ESCALATED YEMENI LABORERS' WAGES TO BETWEEN
SR 80 AND 100 PER DAY. HOUSEBOYS THAT WERE GETTING
SR 450 IN 1975 ARE NOW GETTING OVER SR900. YEMENIS ARE
NOT BOUND BY THE SAUDI REGULATIONS WHICH LIMIT THE
SHIFTING OF SPONSORED EXPATRIATE WORKERS FROM ONE
EMPLOYER TO ANOTHER. YEMENIS CAN ENTER SAUDI ARABIA
WITHOUT SPONSORSHIP AND WITHOUT VISAS. THIS HAS
RESULTED IN A SITUATION WHEREBY SAUDI CONTRACTORS HAVE
HAD TO COMPETE FOR YEMENI LABOR GENERALLY BY OFFERING
HIGHER PAY. SITUATION IS SPIRALING. SOME YEMENIS
HAVE SWITCHED EMPLOYERS FOUR OR FIVE TIMES IN AS MAHY
RECENT MONTHS. IN RIYADH, YEMENI CONSTRUCTION WORKERS
ACTUALLY WENT ON STRIKE, RESULTING IN POLICE ACTION, BUT
ALSO IN HIGHER PAY.

2. ACCORDING TO SAUDI BUSINESSMEN, YEMEN ITSELF IS
HAVING A LABOR SHORTAGE AND YEMENI LABORERS RETURNING
HOME FOR VISITS HAVE ALLEGEDLY BEEN PREVENTED FROM RE-
TURNING TO SAUDI ARABIA AND PRESSED INTO WORK IN YEMEN.
IT IS REPORTED THAT WAGE SCALES IN YEMEN FOR CONSTRUC-
TION WORKERS AND OTHER AND OTHERS NOW EQUAL SAUDI RATES OF PAY.
BECAUSE OF HIGHER COSTS FOR LODGINGS IN JIDDA AND ELSE-
WHERE IN SAUDI ARABIA, AS WELL AS GENERALLY ESCALATING
FOOD COSTS, MANY YEMENIS ARE REPATRIATING TO WORK AT
EQUAL WAGE SCALES. LOCAL LURE OF HIGHER WAGES IS FAD-
ING AND YEMENI PROCLIVITY TO LEAVE SAUDI ARABIA IN-
CREASING STEADILY. SEVERAL EMBASSY EMPLOYEES
HAVE RESIGNED TO REUTRN TO YEMEN.

3. AS FAR AS WE CAN SEE, DECLINE OF YEMENI WORKERS
WILL ALSO RESULT IN LESSER REMITTANCES AND COULD, IF
CARRIED TO NATURAL CONCLUSION, STIFLE YEMENI BOOM. AT
SAME TIME, CONSIDERING HIGH INPUT OF YEMENI LABOR TO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 JIDDA 05387 041643Z

SAG'S DEVELOPMENT PLANS, LOSS OF THESE WORKERS COULD
SORELY AFFECT SAUDI PROGRAMS.

4. CONSTRUCTION BOOM IN OTHER ARAB COUNTRIES, SUCH AS
EGYPT, JORDAN AND SYRIA, INDICATES THAT POTENTIAL
SUBSTITUTE FLOW OF WORKERS FROM THESE AREAS IS REMOTE
UNLESS LOCAL WAGE SCALES INCREASE DRAMATICALLY.

5. KOREAN WORKERS IN SAUDI ARABIA NOW NUMBER ABOUT 8,000 ACCORDING TO INFORMED CIRCLES, AND IT IS ANTICIPATED THAT THERE WILL BE A TOTAL OF 18,000 WITHIN A YEAR. ALL THIS LABOR IS CONTROLLED BY KOREAN CONSTRUCTION FIRMS WITH INDEPENDENT OR JOINT VENTURE CONTRACTS WITH SAUDIS. PAKISTAN WORKERS ARE INCREASING IN NUMBER AND THERE HAS BEEN A SHIFT FROM THE OFFICE TYPES TO THE ORDINARY LABORERS. HOCHTIEF, THE GERMAN FIRM BUILDING THE NEW JIDDA AIRPORT, NOW HAS ABOUT 2,000 PAKISTANI WORKERS. INDIAN AND BANGLADESH EMBASSY OFFICIALS HAVE ADMITTED HIGH INTEREST IN HAVING MORE WORKERS IN SAUDI ARABIA.

6. THE EMBASSY WOULD APPRECIATE COMMENTS FROM SANA REGARDING PARA 2 ABOFE, AND FROM OTHER ADDRESSEES RE SITUATION.
PORTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR RELATIONS, FOREIGN WORKERS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA05387
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760301-0058
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760888/aaaaczrk.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2004 by ElyME>; APPROVED <23 SEP 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YEMENI LABOR PROBLEMS AND DEVELOPMENTS IN SAUDI ARABIA BACKGROUND JIDDA HAS MORE YEMENI DWELLERS THAN ANY CITY IN TH
TAGS: EALR, EFIN, ELAB, SA, YE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006